



General Assembly

Raised Bill No. 339

February Session, 2010

LCO No. **1679**

01679_____PD_

Referred to Committee on Planning and Development

Introduced by:
(PD)

***AN ACT AUTHORIZING MUNICIPALITIES TO COLLECT THE
MARIJUANA AND CONTROLLED SUBSTANCES TAX.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-651 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 (a) A tax is imposed on any marijuana or controlled substances
4 purchased, acquired, transported or imported into the state. Payment
5 thereof shall be evidenced by the permanent affixing of stamps on the
6 marijuana or controlled substance immediately after receipt. Each
7 stamp or other official indicia may be used only once.

8 (b) The tax imposed pursuant to this section shall be at the following
9 rates: (1) On each gram of marijuana or portion of a gram, three dollars
10 and fifty cents, and (2) on each gram of a controlled substance, or
11 portion of a gram, two hundred dollars or on each fifty dosage units of
12 a controlled substance that is not sold by weight, or portion thereof,
13 two thousand dollars. For the purpose of calculating the tax due under
14 this section, an ounce of marijuana or other controlled substance is
15 measured by the weight of the substance in the dealer's possession.

16 (c) Any tax imposed pursuant to this section is due and payable
17 immediately upon acquisition or possession in this state by a dealer.

18 (d) Notwithstanding the provisions of this chapter, any
19 municipality may collect the tax imposed pursuant to this section on
20 any marijuana or controlled substance that is seized in such
21 municipality by a law enforcement officer as a result of a lawful arrest
22 of a dealer or a lawful search of the real or personal property of a
23 dealer, provided (1) such tax is due and payable, (2) the chief of police
24 of such municipality or, if such municipality does not have an
25 organized police department, the chief elected official of such
26 municipality, notifies the commissioner of such municipality's intent to
27 collect such tax, and (3) the municipality complies with the provisions
28 of subsection (e) of this section. The full amount of any tax collected
29 pursuant to this subsection may be retained by such municipality.

30 (e) Before a municipality may collect any tax imposed pursuant to
31 this section, the chief elected official of such municipality shall appoint
32 one or more hearing officers, other than police officers or persons who
33 work in the police department, to hear the petitions of aggrieved
34 taxpayers and shall establish by ordinance a hearing procedure
35 following the timelines and requirements set forth in section 12-553.
36 The provisions of sections 12-553 and 12-554, adapted accordingly,
37 shall apply to hearings before and appeals from a municipality under
38 this section.

39 Sec. 2. Section 12-655 of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective October 1, 2010*):

41 (a) Each dealer shall keep complete and accurate records of all
42 marijuana or controlled substances on which a tax is imposed. Such
43 records shall be a kind and in such form as the commissioner may
44 prescribe and shall be preserved for three years in such manner as to
45 insure permanency and accessibility for inspection by the
46 commissioner or his authorized agents. The commissioner and his
47 authorized agents and any municipality collecting a tax pursuant to

48 section 12-651, as amended by this act, may examine the books, papers
49 and records of any dealer for the purpose of determining whether the
50 tax imposed by this chapter has been paid and may examine any
51 marijuana or controlled substances upon any premises where such
52 marijuana or controlled substances are possessed to determine if the
53 provisions of this chapter are being obeyed.

54 (b) If, after an examination of the invoices, books and records of a
55 dealer, or if, from any other information obtained by [him] the
56 commissioner or [his] the commissioner's authorized agents or the tax
57 collector for any municipality collecting a tax pursuant to section 12-
58 651, as amended by this act, the commissioner or municipality
59 determines that the dealer has not purchased sufficient stamps to cover
60 his receipts and sales or other disposition of any marijuana or
61 controlled substances, [he] the commissioner or tax collector shall
62 thereupon assess the deficiency in tax. There shall be imposed a
63 penalty of ten per cent of the deficiency or fifty dollars, whichever
64 amount is greater, and interest shall accrue on the tax at the rate of one
65 per cent per month from the due date of such tax to the date of
66 payment. In any case where a dealer cannot produce evidence of
67 sufficient stamp purchases to cover the receipt of any marijuana or
68 controlled substances, it shall be presumed that such marijuana or
69 controlled substances were sold without having the proper stamps
70 affixed.

71 (c) If the commissioner determines that the deficiency or any part
72 thereof is due to a fraudulent intent to evade the tax, there shall be
73 imposed a penalty of twenty-five per cent of the deficiency and interest
74 shall accrue on the tax at the rate of one per cent per month or fraction
75 thereof from the due date of such tax to the date of payment. Subject to
76 the provisions of section 12-3a, the commissioner may waive all or part
77 of the penalties provided under this chapter when it is proven to his
78 satisfaction that the failure to pay any tax on time was due to
79 reasonable cause and was not intentional or due to neglect. The
80 amount of any tax, penalty or interest due to the commissioner and

81 unpaid under the provisions of this chapter may be collected under the
 82 provisions of section 12-35. The warrant therein provided for shall be
 83 signed by the commissioner or his authorized agent. The amount of
 84 any such tax, penalty and interest shall be a lien, from the last day of
 85 the month next preceding the due date of such tax until discharged by
 86 payment, against all real estate of the taxpayer within the state, and a
 87 certificate of such lien signed by the commissioner may be filed for
 88 record in the office of the clerk of any town in which such real estate is
 89 situated, provided no such lien shall be effective as against any bona
 90 fide purchaser or qualified encumbrancer of any interest in any such
 91 property. When any tax with respect to which a lien has been recorded
 92 under the provisions of this section has been satisfied, the
 93 commissioner, upon request of any interested party, shall issue a
 94 certificate discharging such lien, which certificate shall be recorded in
 95 the same office in which the lien is recorded. Any action for the
 96 foreclosure of such lien shall be brought by the Attorney General in the
 97 name of the state in the superior court for the judicial district in which
 98 the property subject to such lien is situated, or, if such property is
 99 located in two or more judicial districts, in the superior court for any
 100 one such judicial district, and the court may limit the time for
 101 redemption or order the sale of such property or make such other or
 102 further decree as it judges equitable.

103 (d) The amount of any tax, penalty and interest due to a
 104 municipality and unpaid under the provisions of this chapter shall
 105 constitute a lien upon any real estate owned by the dealer in the
 106 municipality collecting such tax, penalty and interest. Each such lien
 107 may be continued, recorded and released in the manner provided by
 108 the general statutes for continuing, recording and releasing property
 109 tax liens. Each such lien shall take precedence over all other liens filed
 110 after October 1, 2010, and encumbrances, except taxes, and may be
 111 enforced in the same manner as property tax liens.

112 ~~[(c)]~~ (e) Except in the case of a wilfully false or fraudulent intent to
 113 evade the tax, no assessment of additional tax with respect to any

114 return shall be made after the expiration of more than three years from
115 the date of the filing of such return or from the original due date of
116 such return, whichever is later, provided, if no return has been filed as
117 provided in this chapter, the Commissioner of Revenue Services may
118 determine the amount of tax due from the best information available
119 and assess such tax together with statutory penalties and interest at
120 any time. If prior to the expiration of the period prescribed in this
121 section for the assessment of additional tax, a taxpayer has consented
122 in writing that such period may be extended, the amount of such
123 additional tax due may be determined at any time within such
124 extended period. Any such extended period may be further extended
125 by consent in writing before the expiration of such extended period.

126 [(d)] (f) The provisions of sections 12-553 and 12-554 shall apply to
127 the provisions of this chapter in the same manner and with the same
128 force and effect as if the language of said sections had been
129 incorporated in full into said chapter and had expressly referred to the
130 tax imposed under said chapter, except to the extent that any such
131 provision is inconsistent with a provision of said chapter.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	12-651
Sec. 2	<i>October 1, 2010</i>	12-655

Statement of Purpose:

To authorize municipalities to collect and retain taxes due under the marijuana and controlled substances tax.